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Chair Landwehr and members of the House Committee on Health & Human Services:

Thank you for the opportunity to join other advocates in opposing HB 2463. KAN is a coalition of more than 50 organizations and individuals who advocate on behalf of and serve and the 400,000 Kansans who depend upon the Kansas Medicaid program, KanCare, and its seven Home and Community Based Services (HCBS) waiver programs for their health care and long-term supports and services.

HB2463 would prohibit "any substantive or material changes" to the Kansas Medicaid program, known as KanCare by limiting the contracting ability of the Kansas Medicaid agency, the Kansas Department of Health and Environment (KDHE). That limitation would be in effect for the next four years essentially freezing any improvements or adjustments to the KanCare program.

KAN members assume this would halt current initiatives that have broad support among legislators, providers, advocates and the State. Proposed changes such as extending postpartum care, rate adjustments and strengthening the State's oversight and enforcement responsibilities. Certainly it would delay and suspend efforts being considered for reducing the years-long waiting lists for persons served through the waivers for persons with physical, intellectual or developmental disabilities. Given that more mental health centers are coming online with the CCBHC program, we are concerned that those efforts also would be discontinued with the passage of HB 2463.

The potential for unintended, far reaching consequences are great. As drafted, HB 2463 would tie the State's hands in complying with federal program requirements, renewing waivers, or making other necessary program changes.

KanCare was created through an 1115 waiver by the Centers for Medicare and Medicaid Services (CMS). These types of waivers are considered "demonstration waivers," meaning there is a hypothesis and the State seeks to test that hypothesis. HB 2463 defeats the purpose of the 1115 waiver program in general and the KanCare program hypotheses in specific. At the end of the demonstration period the State has the ability to adopt changes and make adjustments in programs for the future. At the core of the KanCare program is the premise that competition will drive better outcomes. HB 2463 removes most of that competition. The bidding process by the MCOs is needed to constantly adapt to the current environment as well as improve the overall system on a regular basis.

Finally, we are unsure how this bill could be realistically implemented. The contractual extension provisions in the current program have been exhausted, making it questionable as to how the KanCare program could continue until Dec. 31, 2025. Furthermore, extensions to this program are generally intended to allow for adjustments and the other processes necessary to reapply for the program not to avoid participation in the cycle of 1115 waivers.

There are too many questions and the potential for too many unintended consequences all of which makes HB 2463 unrealistic and impractical. Too many people – pregnant women, children, frail adults, and persons with disabilities – depend on the services provided through KanCare. For these reasons we ask you to oppose HB 2463.

Thank you once again for the opportunity to testify in opposition to HB2463.

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